

Message Text

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ORIGIN SS-25

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APPROVED BY L/M/SCA:KEMALMBORG

JUSTICE:MRSTEIN(SUBS)

EUR/NE:CFLOYD

S/S: MR. GAMMON

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FM SECSTATE WASHDC

TO AMCONSUL HAMILTON FLASH

C O N F I D E N T I A L STATE 190409

EXDIS

E.O. 11652:GDS

TAGS: PFOR, CPRS, BD

SUBJECT: EXTRADITION - ROBERT L. VESCO

REF: HUMMER MCCUE TELCON

1. DEPT OF JUSTICE HAS INFORMED US ROBERT VESCO IS FLYING INTO BERMUDA TODAY FOR A ONE-DAY MEETING OF BOARD OF DIRECTORS OF GLOBAL NATURAL RESOURCES.

2. CONSUL GENERAL IS INSTRUCTED TO REQUEST PROVISIONAL ARREST OF VESCO PURSUANT TO PROVISIONS OF THE 1931 U.S.-U.K. EXTRADITION TREATY, SPECIFICALLY FOR OFFENSE 17 (FRAUD BY A DIRECTOR OF A COMPANY) OF ARTICLE III.

3. VESCO IS DESCRIBED AS BORN DETROIT, MICHIGAN, DEC. 4, 1935, 6 FEET 2 INCHES TO 6 FEET 3 INCHES IN HEIGHT, 185-190 POUNDS.

4. VESCO INDICTED FOR VIOLATION OF 18 USC 1343 (FRAUD BY WIRE) AND 2 (AIDING AND ABETTING) ON JULY 20, 1973, IN INDICTMENT NO. 73 CR 707, IN THE SOUTHERN DISTRICT OF NEW YORK. A WARRANT WAS ISSUED FOR HIS ARREST THE SAME DAY UNDER ORDERS OF JUDGE CHARLES STEWART, JR.

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5. THE TEXT OF THE INDICTMENT IS AS FOLLOWS:

THE GRAND JURY CHARGES:

1. FROM ON OR ABOUT THE 1ST DAY OF DECEMBER, 1971, UP TO AND INCLUDING THE DATE OF THE FILING OF THIS INDICTMENT, IN THE SOUTHERN DISTRICT OF NEW YORK AND ELSEWHERE, THE DEFENDANT ROBERT L. VESCO, UNLAWFULLY, WILFULLY AND KNOWINGLY, HAVING DEVISED AND INTENDING TO DEVISE A SCHEME AND ARTIFICE TO DEFRAUD INTERNATIONAL CONTROLS CORP. ('ICC'), A FLORIDA CORPORATION HAVING ITS PRINCIPAL PLACE OF BUSINESS IN FAIRFIELD, NEW JERSEY, AND THE SHAREHOLDERS THEREOF, AND FOR OBTAINING MONEY AND PROPERTY FROM ICC AND THE SHAREHOLDERS THEREOF BY MEANS OF FALSE AND FRAUDULENT PRETENSES, REPRESENTATIONS, AND PROMISES AND FOR THE PURPOSE OF EXECUTING SUCH SCHEME AND ARTIFICE, DID CAUSE TO BE TRANSMITTED BY MEANS OF WIRE COMMUNICATION IN INTERSTATE AND FOREIGN COMMERCE CERTAIN WRITINGS, SIGNS, SIGNALS AND SOUNDS.

"2. IT WAS A PART OF SAID SCHEME AND ARTIFICE THAT THE DEFENDANT, ROBERT L. VESCO, WHO WAS CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF ICC, WOULD AND DID AGREE TO PURCHASE, ON BEHALF OF AND FOR THE BENEFIT OF HIMSELF AND OTHERS, AND NOT ON BEHALF OF OR FOR THE BENEFIT OF ICC, CERTAIN SHARES OF THE PREFERRED STOCK OF IOS LTD FROM HENRY BUHL.

"3. IT WAS FURTHER A PART OF SAID SCHEME AND ARTIFICE THAT THE DEFENDANT, ROBERT L. VESCO, WOULD AND DID FRAUDULENTLY CAUSE ICC TO PAY \$50,000 TO HENRY BUHL, FALSELY REPRESENTING TO THE DIRECTORS, OFFICERS AND EMPLOYEES OF ICC THAT SAID PAYMENT WAS A LEGITIMATE EXPENSE OF ICC AND CONCEALING THE FACT THAT THE \$50,000 CONFIDENTIAL

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PAYMENT WAS ACTUALLY PARTIAL PAYMENT FOR THE STOCK PURCHASE REFERRED TO IN PARAGRAPH 2, SUPRA.

"4. IT WAS FURTHER A PART OF SAID SCHEME AND ARTIFICE THAT THE DEFENDANT, ROBERT L. VESCO, WOULD AND DID WRONGFULLY EMBEZZLE, MISAPPLY AND CONVERT SAID \$50,000 TO HIS OWN USE AND BENEFIT BY USING SAID \$50,000 TO HIS OWN USE AND BENEFIT BY USING SAID \$50,000 AS A PARTIAL PAYMENT FOR THE STOCK PURCHASE REFERRED TO IN PARAGRAPH 2, SUPRA.

"5. IT WAS FURTHER A PART OF SAID SCHEME AND ARTIFICE THAT THE DEFENDANT, ROBERT L. VESCO, WOULD AND DID MAKE FALSE AND FRAUDULENT REPRESENTATIONS TO THE

DIRECTORS, OFFICERS AND EMPLOYEES OF ICC TO THE EFFECT THAT SAID \$50,000 PAYMENT WAS A LEGITIMATE EXPENSE OF

ICC FOR SERVICES RENDERED TO ICC BY HENRY BUHL THEREBY CAUSING SAID DIRECTORS, OFFICERS AND EMPLOYEES TO MAKE AND APPROVE FALSE AND FRAUDULENT ENTRIES IN THE BOOKS AND RECORDS OF ICC SO AS TO COVER UP AND CONCEAL THE WRONGFUL EMBEZZLEMENT, MISAPPLICATION AND CONVERSION OF SAID \$50,000 BY THE DEFENDANT, ROBERT L. VESCO.

"6. ON OR ABOUT THE 4TH DAY OF JANUARY, 1972, IN THE SOUTHERN DISTRICT OF NEW YORK, THE DEFENDANT, ROBERT L. VESCO, UNLAWFULLY, WILFULLY AND KNOWINGLY, FOR THE PURPOSE OF EXECUTING THE AFORESAID SCHEME AND ARTIFICE, DID CAUSE TO BE TRANSMITTED BY WIRE FROM BANK OF AMERICA, SAN FRANCISCO, CALIFORNIA, THROUGH NEW YORK, NEW YORK, TO COMPAGNIE DE BANQUE ET D'INVESTISSEMENTS, GENEVA, SWITZERLAND, WRITINGS, SIGNS, SIGNALS AND SOUNDS, TO WIT, A TELEGRAM WITH INSTRUCTIONS TO PAY \$50,000 TO HENRY BUHL. (TITLE 18, UNITED STATES CODE, SECTIONS 1343 AND 2.)"

6. FACTUAL SITUATION LEADING TO INDICTMENT IS AS FOLLOWS:
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DURING DEC. 1971, AN ORAL AGREEMENT WAS REACHED BETWEEN VESCO AND C. HENRY BUHL. THE BASIC AGREEMENT WAS THAT VESCO WOULD BUY 375,700 SHARES OF PREFERRED STOCK OF IOS LTD. TO VESCO OR SOME PERSON OR ENTITY VESCO SHOULD CHOOSE. IN RETURN, VESCO WAS TO PAY TO BUHL \$140,000, AND THE TERMS OF PAYMENT CALLED FOR A \$50,000 DEPOSIT AND \$90,000 TO BE PAID ON DELIVERY OF THE STOCK TO THE PURCHASER.

7. ON JAN. 4, 1972, RICHARD CLAY, A VESCO ASSOCIATE, AT VESCO'S DIRECTION, INSTRUCTED AN EMPLOYEE OF ICC TO SEND \$50,000 BY WIRE TO BUHL IN GENEVA. THE MONEY WAS SENT FROM THE ICC ACCOUNT AT THE BANK OF AMERICA IN SAN FRANCISCO. IT WAS SENT FROM THE BANK OF AMERICA IN SAN FRANCISCO TO THE BANK OF AMERICA IN NEW YORK; FROM NEW YORK TO BANK OF AMERICA IN LONDON AND FROM THERE TO SWITZERLAND FOR THE ACCOUNT OF C. HENRY BUHL.

8. SUBSEQUENTLY, BUHL DELIVERED THE IOS STOCK TO KILMOREY INVESTMENTS LTD., A BAHAMAS CORPORATION, AT THE DIRECTION OF VESCO. THIS COMPANY HAS NO CONNECTION WITH ICC.

9. AT THE TIME THE MONEY WENT TO SWITZERLAND, IT WAS PUT ON THE BOOKS OF ICC AS AN ADVANCE TO BUHL AND CARRIED AS AN ACCOUNT RECEIVABLE.

10. DURING 1972, AT VARIOUS MEETINGS OF ICC IN NEW JERSEY, VESCO MADE VARIOUS REPRESENTATIONS TO THE DIRECTORS OF ICC AS TO WHAT THAT \$50,000 WAS FOR, AND ULTIMATELY HE TOLD THE DIRECTORS IT WAS PAYMENT AS A

FINDERS FEE TO BUHL IN CONNECTION WITH NEGOTIATIONS BETWEEN ICC AND A COMPANY CALLED CHARTER BALL LTD. THE NEGOTIATIONS ACTUALLY TOOK PLACE, ALTHOUGH NOTHING EVER CAME OF THEM. HOWEVER, BUHL HAD NOTHING TO DO WITH THE NEGOTIATIONS.

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11. SO, UPON THIS REPRESENTATION, THE ENTRY IN ICC'S BOOKS WAS CHANGED TO AN EXPENSE ITEM, ALTHOUGH ICC DID NOT IN FACT OWE BUHL ANY MONEY.

12. IN EFFECT, VESCO USED THE CORPORATE ASSETS OF ICC TO BUY STOCK FOR ANOTHER ENTITY WHICH HAD NO CONNECTION TO ICC.

13. REMAINING \$90,000 PAID BUHL BUT NOT AT DETRIMENT TO ICC.

14. CONSULATE GENERAL IS AUTHORIZED TO REQUEST PROVISIONAL ARREST OF VESCO FOLLOWING PROCEDURE SET OUT IN ARTICLE 15 OF TREATY DRAWING UPON INDICTMENT AS AMPLIFIED BY ADDITIONAL FACTS. RUSH

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